Exhibit No.:	
Issue:	Generation O&M Normalization; Wolf Creek Refueling Outage
Witness:	F. Dana Crawford
Type of Exhibit:	Rebuttal Testimony
Sponsoring Party:	Kansas City Power & Light Company
Case No.:	ER-2009-0089
Date Testimony Prepared:	March 11, 2009

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2009-0089

REBUTTAL TESTIMONY

OF

F. DANA CRAWFORD

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

Kansas City, Missouri
March 2009

Certain Schedules Attached to This Testimony Designated "Highly Confidential" Contain "Highly Confidential" Information And Have Been Removed Pursuant to 4 CSR 240-2.135.

REBUTTAL TESTIMONY

OF

F. DANA CRAWFORD

Case No. ER-2009-0089

Q: Are you the same F. Dana Crawford who submitted Direct Testimony in this case on behalf of Kansas City Power & Light Company ("KCP&L" or "the Company") on or about September 5, 2008?

A: Yes, I am.

Q: What is the purpose of your Rebuttal Testimony?

A: The purpose of my Rebuttal Testimony is to rebut the Direct Testimony of Mr. Jatinder Kumar of the United States Department of Energy ("DOE") and the Direct Testimony of Ms. Karen Herrington of the Missouri Public Service Commission Staff ("Staff") regarding annualized production maintenance expense and Staff witness Chuck Hyneman regarding the 2008 Wolf Creek refueling outage.

Q: Please explain your exception to Mr. Kumar's testimony?

A: Mr. Kumar is incorrect in his position on normalized production maintenance, as reflected In KCP&L's Adjustment 26a. The Company's adjustment addresses non-KCP&L labor maintenance only, excluding Wolf Creek.

Q: Please explain Mr. Kumar's position?

A: Mr. Kumar is proposing the use of Handy-Whitman Indices projected based on the average historical Growth, with a productivity increase of 2.0% to offset these projected indices.

Q: Please explain your original and current position on normalized annualization of production maintenance?

A In my Direct Testimony, I originally proposed the use of a seven-year indexed average, indexed to 2009 dollars – the year when rates will go into effect as a result of this case. I continue to believe that indexing historical costs to reflect current market conditions is conceptually the right thing to do; however, due to the instability of the current market, I now propose the use of the 2008 actual dollars for normalized annualization of production maintenance for this case.

Q: Do you believe Mr. Kumar's proposed productivity offset is appropriate?

A: No, I do not. Much of the contract labor component of the Company's production non KCP&L labor maintenance costs will increase in accordance with the terms of the applicable trade union labor contracts. Consequently, it will likely not be possible for the Company to directly achieve the productivity gains presumed by Mr. Kumar. In addition, any productivity gains the Company does realize will be reflected in its next rate case, which is currently anticipated to be filed later this year.

Q: Do you have any concerns about Mr. Kumar's proposed adjustment concerning flow accelerated corrosion and compliance cost?

A: Yes, I do. Mr. Kumar proposes to treat flow accelerated corrosion and compliance costs similarly to other production maintenance costs; that is, to index those costs at a discounted amount and assume some level of productivity savings. KCP&L's enhanced flow accelerated corrosion program is relatively new. It is too soon to project what level of productivity gains might be realistic or achievable. In addition, as noted above, any productivity gains will be reflected in the Company's next rate case.

Q: What position does the Staff take on this issue?

A: Staff witness Karen Herrington, on page 100 of the MPSC Staff Report Cost Of Service, proposes the use of the actual test year (2007) costs for annualized production maintenance expense. KCP&L's actual amount for 2007 for these accounts is $28,884,551 which is significantly below our 2008 actual expenditures for these accounts of $31,150,277.

Q: Do you still support the future use of indexing to establish a normalized annualization of production maintenance expense?

A: Yes. The Handy-Whitman ("HW") Index is a highly recognized, independent source of historical escalation factors. The use of the HW Index is a widely used method and standard practice within the utility industry for evaluating cost trends. The index numbers are prepared especially for electric, gas and water utilities and the data is under continuous review to assure the indices reflect current construction information. Separate index numbers are developed for each type of utility whether it is electric, gas or water. In addition, the HW Index is divided into six geographical regions with similar characteristics to reflect differing cost trends among the types of utilities as well as differences among regions. KCP&L uses the HW Index prepared for Electric Utility Construction for the North Central Region to obtain a regional index for Electric Utilities.

Q: Has KCPL done any analysis comparing the HW indices and actual production maintenance expenses?

A: Yes, KCP&L has performed an informal comparison. This comparison has shown that two-thirds of our non-KCP&L labor production maintenance expense is composed of contract labor. These labor rates are fixed by various trade union contracts (some

extending to 2011) and are quite easily known and tracked. KCP&L's generation maintenance expense is comprised of labor rates that will continue to rise pursuant to the terms of contracts with the trade unions. The other one-third is comprised of finished material and fabricated equipment. Examples of these materials and equipment include boiler tubing, valves, pumps, motors, etc. that require significant input of skilled labor and tooling for assembly and fabrication. When we have compared our historical production maintenance costs, we have found the regional HW indices to be comparable to our actual cost trends.

Q: Given the differing positions of the DOE and Staff on these adjustments, what does KCP&L recommend the Commission use for normalized production maintenance expense in this case?

A: The Company recommends the use of 2008 dollars for production non-KCP&L labor maintenance expense, excluding Wolf Creek expenses. While the 2008 costs do not include the recognition of price escalations inherent in the H-W indexing, those costs are more representative of costs going forward than our test year costs. The Company believes it has reached an agreement with Staff to include 2008 actual maintenance expense in this rate proceeding. Staff's revised Accounting Schedules attached to the Rebuttal testimony of Company witness John Weisensee as Schedule JPW-6 reflect 2008 actual maintenance expense.

Q: Please explain your exception to position taken by Staff witness Charles R. Hyneman regarding the Wolf Creek refueling outage (RF16)?

A: Yes. On pages 130 – 131 of the Staff Report Cost of Service, which is attributed to Mr. Hyneman, he questions the length and cost of the 2008 Wolf Creek Nuclear Refueling outage (RF16).

Q: Is Mr. Hyneman correct in stating that over the last three refuelings the average outage period was 33 days?

A: No. It appears Mr. Hyneman has compared planned refueling outage durations with actual durations. As documented by the attached table (Schedule FDC-11 (HC)), the average actual duration for the last three Wolf Creek refueling outages was 40 days. In fact including Outage 16, the most recent refueling outage, the average actual refueling is 44 days. Also, as summarized in Schedule FDC-11 (HC), the planned future outage durations average 40 days.

Q: Why is it appropriate to compare actual duration for normalization purposes?

A: The actual duration of a refueling outage will vary for various reasons: (1) The original planned scope of work for the outage may vary from outage to outage depending upon the amount of inspection, maintenance, or equipment replacement that is necessary to be performed at that time, and (2) the planned scope of work itself may vary during the outage as inspections are performed and actual plant conditions are evaluated. This was the situation with Outage 16. A number of conditions were identified that required additional work that was not part of the planned work scope. These conditions included increased work to resolve the emergency core cooling systems voiding issues, the "B" residual heat removal systems post fire safe shutdown modification and additional scope of having to conduct inspections of the unit's other two steam generators that were not originally planned for inspection during the refueling. The extent of this work could not

be determined prior to the outage and it was necessary to complete the work before generation activities could resume.

Q: Have you discussed this issue with Staff?

A: Yes, KCP&L has given Staff information related to actual RF16 outage days. The Company believes it has reached an agreement with Staff to include the correct outage days in this rate proceeding. Staff's revised Accounting Schedules attached to the Rebuttal testimony of Company witness John Weisensee as Schedule JPW-6 reflect the correct outage days.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Kansas City Power & Light Company to Modify Its Tariff to Continue the Implementation of Its Regulatory Plan	)))	Case No. ER-2009-0089

AFFIDAVIT OF F. DANA CRAWFORD

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

F. Dana Crawford, being first duly sworn on his oath, states:

1. My name is F. Dana Crawford. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Vice President, Strategic Operations Support.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Kansas City Power & Light Company consisting of Six (6) pages and Schedule(s) FDC-11 ~~through ____~~; all of which having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

F. Dana Crawford

Subscribed and sworn before me this 10th day of March 2009.

Nicole A. Wehry
Notary Public

My commission expires: Feb. 4, 2011

" NOTARY SEAL "
Nicole A. Wehry, Notary Public
Jackson County, State of Missouri
My Commission Expires 2/4/2011
Commission Number 07391200

SCHEDULE FDC – 11

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